

CIA INTERNAL USE ONLY

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BUDGET

19 August 1954

## BUDGET POLICY FOR FISCAL YEAR 1956

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1. General

- a. This Notice sets forth the Administration's budget policy for the fiscal year 1956 which has been promulgated by the Director of the Bureau of the Budget and which will be followed by the Bureau in its review of the Agency budget.
- b. Agency officials responsible for obligating funds will be guided by the policies stated herein in the preparation of budget estimates for the fiscal year 1956.

2. Obligational Authority

The following overall policies in respect to obligational authority have been established in accordance with the budgetary objectives of the Administration:

- a. "The amount of new obligational authority as proposed in the 1955 budget or as enacted by the Congress will be reduced in 1956, so that the levels of Government employment and operations will be lower in 1956 than in 1955."
- b. "All departments and agencies would be expected to reduce obligation and expenditure rates during the second half of the fiscal year 1955 so as to permit smooth transition to the proposed lower levels for 1956."

3. Activities and Programs

"All activities and programs not essential and justifiable within the administration's budgetary objective will be proposed for elimination or postponement, and all essential programs will be held to minimum levels and minimum cost--even though the levels recommended in the 1955 budget may have been subsequently increased. In this connection, the need for and the cost of each program and activity will be examined in its entirety, rather than in terms of changes from a prior year."

4. Construction and Maintenance

- a. "Construction projects under way in 1955 will be continued at economic rates."
- b. "Maintenance and repair of Government facilities will be held to the minimum level required for continued safe operation and prevention of excessive and costly deterioration."

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5. Supplies and Equipment

"All Government assets will be managed in the most efficient manner. Requirements for operating supplies and equipment will be met to the fullest extent possible by reductions in inventories rather than by new purchases. Excess inventories, property, and other assets will be proposed for sale or liquidation to recover the value of such assets."

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

LAWRENCE R. HOUSTON  
Acting Deputy Director  
(Administration)

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